
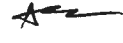


MEMORANDUM

TO: Mayor and City Council
Greenville Utilities Board of Commissioners

FROM: Michael W. Cowin, City Manager 
Anthony C. Cannon, General Manager/CEO 

DATE: April 9, 2025

SUBJECT: Joint City/GUC Pay and Benefits Committee Recommendations for FY 2025-26

The Joint City/GUC Pay and Benefits Committee met on Tuesday, March 25, 2025. The result of this meeting was the following recommendations to be considered by City Council and GUC Board of Commissioners at their upcoming Joint Meeting scheduled for Monday, April 14, 2025, at 6:00 p.m.

Pay Philosophy

In order to mitigate pay compression and to attract and retain high-performing employees, the City Council and Greenville Utilities Commission’s Board of Commissioners use an “at market” pay philosophy. As such, both organizations strive to pay at market and adjust the salary structures as needed to maintain market competitiveness. This enhances the City’s and GUC’s ability to recruit and retain qualified and high-performing employees. This is especially important in today’s increasingly competitive and tightening labor market.

Market Adjustment/Merit Allocation

The City and GUC have traditionally used Catapult’s (formerly CAI) annual *North Carolina and Regional Wage & Salary Survey* as the primary benchmark guide for establishing the market as it relates to wage growth. Catapult’s survey provides comprehensive pay practice and salary data for private and public-sector employers across North Carolina, with a small number of employers located in the bordering states of South Carolina, Tennessee, Virginia, and Georgia.

In order to make informed compensation decisions and to ensure that Catapult is truly representative of the market, the City and GUC have also used other reliable data sources such as reputable published surveys and wage data from public-sector benchmark organizations and local private-sector employers. Following is data collected from the published survey sources:

Survey Company	Projection
Catapult*	3.7%
Economic Research Institute (ERI)	3.9%

Survey Company	Projection
Korn Ferry	3.5%
Mercer	3.7%
The Conference Board	3.9%
Willis Towers Watson	3.9%
WorldatWork	3.8%

**COG and GUC have traditionally used Catapult as the primary benchmark guide*

As depicted in the chart above, 2025 wage projections and trends among all these surveys are relatively consistent, collectively averaging 3.8%.

As previously noted, in addition to gathering published survey projections, COG and GUC staff also surveyed our established benchmark public-sector organizations and several local private employers to determine their plans related to compensation decisions for FY 2025-2026.

- Public-sector benchmark organizations: The public-sector benchmark organizations are comprised of 26 municipalities and utilities. Of the organizations that responded, 19 gave their employees pay increases in FY 2024/25; the average actual increase was 4.6% (market and/or merit). Most of the benchmark organizations are in the process of developing their FY 2025/26 budgets and have not made a decision regarding pay increases. Of the 3 organizations that have responded, the average pay increase projection for FY 2025/26 is 4.0% (market and/or merit).
- Local private employers: For FY 2025/26, 19 private-sector employers were surveyed. Of the 4 employers that responded, they are projecting pay increases that average 3.0% (market and/or merit). Those same employers reported actual increases averaging 3.4% (market and/or merit) last year.

COG/GUC Combined Market and Merit Adjustment Benchmark History

Fiscal Year	Catapult	Private Sector	Public Sector	COG	GUC
20/21	2.5%	2.1%	2.2%	2.0%	2.0%
21/22	3.1%	2.7%	3.9%	2.0%	2.0%
22/23	3.8%	4.8%	5.2%	4.0%	4.0%
23/24	4.2%	3.7%	5.5%	2.0%	2.0%
24/25	3.9%	3.4%	4.6%	4.0%	4.0%
25/26	3.7%*	3.0%*	4.0%*	TBD	TBD

**Projections per Catapult's NC and Regional Wage & Salary Survey. The private & public sector data represents projections collected during the Spring of each year as part of the Pay & Benefits planning process.*

GUC/COG Combined Market and Merit Adjustment History

Fiscal Year	Annual		Combined
	Market	Merit	
20/21 (GUC)	.5%	1.5%	2.0%
(COG)	.5%	1.5%	2.0%
21/22 (GUC)	.5%	1.5%	2.0%
(COG)	.5%	1.5%	2.0%
22/23 (GUC)	2.5%	1.5%	4.0%
(COG)	1.0%	3.0%	4.0%

GUC/COG Combined Market and Merit Adjustment History			
Fiscal Year	Annual		Combined
	Market	Merit	
23/24 (GUC)	.5%	1.5%	2.0%
(COG)	.5%	1.5%	2.0%
24/25 (GUC)	2.5%	1.5%	4.0%
(COG)	3.0%	1.0%	4.0%

Recommendation

In order to maintain market competitiveness, the Joint Committee recommends that the City and GUC fund an employee pay adjustment of 4% for FY 2025-2026, applied as deemed appropriate by each entity.

Salary Structure Adjustment

WorldatWork projects salary structures to increase by 2.5% for 2025. The City and GUC have historically used WorldatWork data because their Salary Budget Survey is the largest and most trusted resource of salary and structure adjustment data used by compensation professionals nationally and internationally.

Recommendation

In order to maintain market competitiveness, the Joint Committee recommends that salary structures be adjusted by 2.5% for FY 2025-2026.

401(k) Employer Contribution

Recognizing the retention and recruitment advantages of a competitive 401(k) plan, last year the City and GUC Joint Boards approved an adjustment to 401(k) contributions, increasing the employer contribution from \$40 per pay period (\$1,040 per year) to 3% per pay period for the current fiscal year. This change impacted full-time and select designated part-time employees (i.e., general employees), except for sworn law enforcement officers employed by the City who, pursuant to North Carolina General Statute, receive a 5% 401(k) employer contribution. Additionally, the Joint Boards approved gradually increasing the employer contribution by a quarter percent each fiscal year for general employees, depending on available funding, until it reaches 3.75%. Once this threshold was reached, the employer contribution would be reassessed for market competitiveness.

Both organizations have already seen the positive impact of this change on employee retention and recruitment. Therefore, increasing the 401(k) employer contribution by a full percentage

point until it reaches 5%—from 3% to 4% for FY 2025/26 and from 4% to 5% for FY 2026/27—instead of by a quarter percent as originally approved, will maintain the momentum and allow the City and GUC to reach market competitiveness sooner as it relates to the 401(k) employer contribution for general employees. Additionally, increasing the 401(k) contribution for its general employees in this manner aligns the contribution to that of sworn law enforcement officers, which is the practice of most North Carolina municipalities.

Recommendation

In order to maintain market competitiveness, the Joint Committee recommends changing the 401(k) employer contribution from 3% per pay period to 4% per pay period for full-time and select designated part-time employees (excluding sworn law enforcement officers), effective FY 2025/26 and to 5% effective FY 2026/27, funding permitting.

We look forward to seeing you at the upcoming Joint Meeting on April 14th at 6:00 p.m.

cc: Chris Padgett, GUC Assistant General Manager/Chief Administrative Officer
Ken Graves, COG Deputy City Manager
Dene' Alexander, COG Assistant City Manager
Leah Futrell, COG Director of Human Resources
Richie Shreves, GUC Director of Human Resources

JOINT MEETING
Greenville City Council/Greenville Utilities Commission Board

April 14, 2025

6:00 PM

City Hall Council Chambers, 200 West 5th Street

- I. Call Meeting to Order -- Mayor Connelly
 -- Chair Griffin
- II. Approval of Agenda -- City Council
 -- Greenville Utilities Commission
- III. Public Comment Period -- For issues that are germane to both the City Council and the Greenville Utilities Commission Board

The Public Comment Period is a period reserved for comments by the public. Items that were or are scheduled to be the subject of public hearings conducted at the same meeting or another meeting during the same week shall not be discussed. A total of 30 minutes is allocated with each individual being allowed no more than 3 minutes. Individuals who registered with the City Clerk to speak will speak in the order registered until the allocated 30 minutes expires. If time remains after all persons who registered have spoken, individuals who did not register will have an opportunity to speak until the allocated 30 minutes expires.

- IV. New Business
 - 1. Approval of Minutes from the September 23, 2024 Joint City Council-Greenville Utilities Commission Board Meeting
 - 2. Consideration of Market Adjustment/Merit Allocation for FY 2025-2026
 - 3. Consideration of Salary Structure Adjustment for FY 2025-2026
 - 4. Consideration of 401(k) Employer Contribution
 - 5. 2025-2026 Pay Study
- V. Adjournment -- Greenville Utilities Commission
 -- City Council

**OFFICIAL MINUTES
JOINT MEETING OF THE GREENVILLE CITY COUNCIL
AND GREENVILLE UTILITIES COMMISSION BOARD OF COMMISSIONERS
MONDAY, SEPTEMBER 23, 2024**

The Greenville City Council and Greenville Utilities Commission Board met on Monday, September 23, 2024, at 6:00 p.m. in the Council Chambers, located on the third floor of City Hall at 200 W. Fifth Street, Greenville, N.C.

City Council Members Present

Mayor Pro-Tem Monica Daniels	Council Member Matthew Scully
Council Member Tonya Foreman	Council Member Les Robinson
Council Member Marion Blackburn	Council Member Portia Willis

City Council Members Absent

Mayor P.J. Connelly

City Staff Members Present

City Manager Michael Cowin	Assistant City Attorney Scott Dixon
City Attorney Emanuel McGirt	Deputy City Clerk Danaille Petro
City Clerk Valerie Shiuwegar	Assistant City Manager Dene Alexander
Deputy City Manager Ken Graves	Human Resources Director Leah Futrell

Greenville Utilities Commission Members Present

Chair Lindsey Griffin	Commissioner Mark Garner
Commissioner Ferrell Blount	Commissioner Peter Geiger
Commissioner Wanda Carr	Commissioner Dillon Godley
Commissioner Justin Fuller	City Manager Michael Cowin

Greenville Utilities Commission Staff Present

General Manager/CEO Tony Cannon	Secretary to the General Manager/CEO Lou Norris
General Counsel Phil Dixon	Human Resources Director Richie Shreves
Assistant General Manager/CAO Chris Padgett	Communications Manager/PIO Steve Hawley
Executive Assistant to the General Manager/CEO Amy Wade	Senior Human Resources Manager Lena Preville

Others Present:

Ginger Livingston, The Daily Reflector; Joe Harten, Mercer; and Jeff McKinnon and Nancy Conner, Community Members

I. Call to Order

Mayor Pro Tem Daniels called the meeting of the City Council to order and called for a roll call. City Clerk Shiuwegar called roll and confirmed a quorum of City Council Members present.

Chair Griffin called the meeting of the Greenville Utilities Commission (GUC) to order and called for a roll call. Executive Assistant Wade called roll and confirmed a quorum of GUC Commissioners present.

II. Approval of Agenda

Council Member Blackburn made a motion to approve the agenda as presented. Council Member Robinson seconded the motion and the City approved the minutes unanimously.

Commissioner Blount made a motion to approve the agenda as presented. Commissioner Geiger seconded the motion and the GUC Commission approved the minutes unanimously.

III. Public Comment Period

Mayor Pro Tem Daniels opened the Public Comment Period at 6:05 p.m.

Mr. Jeff McKinnon

Mr. McKinnon highlighted concerns regarding the environmental impacts of coal and natural gas, urging more oversight and emphasizing the benefits and affordability of solar energy, referencing upcoming solar initiatives with Boviet. He raised health concerns related to natural gas use, particularly childhood asthma.

Mrs. Nancy Conner

Ms. Conner expressed concern related to vegetation removal along creeks, warning of potential erosion and flooding problems. She called attention to a lot on E. 14th Street and expressed concerns that the lot was being cleared.

Mayor Pro Tem Daniels called for additional speakers to come forward. Seeing none, she closed the Public Comment Period at 6:11 p.m.

IV. Approval of the Minutes from the April 22, 2024, Joint City Council / Greenville Utilities Commission Board Meeting

Council Member Robinson made a motion to approve the minutes from the April 22, 2024, Joint City Council – GUC Meeting as presented. Council Member Willis seconded the motion and the City Council unanimously approved.

Commissioner Garner made a motion to approve the minutes from the April 22, 2024, Joint City Council – GUC Meeting as presented. Commissioner Carr seconded the motion and the GUC Board unanimously approved.

V. Joint Staff Recommendation on Plan Year 2025 Health and Dental Benefits

Mr. Joe Harten, Consultant with Mercer Consulting, shared the following staff recommendations:

2025 Plan Year Projections – Medical/Rx/Vision

- Mercer recommends a rate increase of 1.5% over 2024 budget across all tiers and salary bands; no design changes.
 - Rate increase is driven by expected medical/Rx claim trends
 - Assuming the increase is shared with employees evenly, projected 2025 net costs are \$19.6 million
 - Assumes Consumer Driven Health Plan (CDHP) deductible will increase to \$1,650/\$3,300 (EE/Depts) from \$1,600/\$3,200 due to new IRS minimums

2025 Plan Year Projections – Dental

- Mercer recommends no increase for 2025 and no design changes.
 - 2024 reforecast gross and net costs are \$1,053k and \$552k, respectively (versus budgeted figures of \$1,131k and \$631k)
 - Costs have decreased from the 2024 Budget due to favorable YTD 2024 claims experience
 - Assuming employee recommendations remain flat, projected 2024 net cost are \$590k

Council Member Scully made a motion to approve the recommendations for the City of Greenville. Council Member Blackburn seconded the motion, and it passed unanimously.

Commissioner Godley made a motion to approve the recommendations for GUC. Commissioner Blount seconded the motion, and it passed unanimously.

VII. Adjournment

There being no further business, Council Member Foreman made a motion to adjourn. The motion was seconded by Council Member Blackburn, and it passed unanimously. Mayor Pro Tem Daniels adjourned the meeting of the City Council at 6:29 p.m.

Chair Griffin called for a motion to adjourn. Commissioner Garner made a motion to adjourn. Commissioner Blount seconded the motion, and it passed unanimously. Chair Griffin adjourned the meeting of the Greenville Utilities Commission Board at 6:30 p.m.

Respectfully submitted,

Amy Carson Wade
Executive Secretary

APPROVED:

Ferrell L. Blount III
Secretary